

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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JUN 27 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)	
)	
Administration of the)	CC Docket No. 92-237
North American Numbering Plan)	Phases One and Two

U S WEST COMMENTS

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Attachment A: Comparison of Interstate Tariffed Rates

Summary of Comments

A. NANP Administration. The Commission should confirm ATIS as the sponsor of the NANP administration. ATIS has considerable knowledge of numbering issues as well as sponsorship of committees and forums, and it has a proven track record of consistently implementing and promoting openness and due process. What is more, ATIS is willing to handle this responsibility, and the selection of ATIS makes realistic the goal of transferring the NANP function from Bellcore by July 1, 1995.

The Commission should also accept ATIS' proposal to sponsor a new NANP/Numbering Oversight Committee which, using established consensus procedures, would oversee the activities of the NANP administrator and would develop and coordinate numbering policy. With this approach, all numbering matters would be centralized under one umbrella: (1) number administration; (2) policy making and dispute resolution (Oversight Committee); and (3) technical details (Committee T1).

With respect to NANP funding, the Commission should ask ATIS to develop a detailed proposal and submit it to the industry for comment after the Commission establishes the principles to govern NANP funding. Regarding central office code administration, the Commission should refer the matter to the industry, so it has an opportunity to consider how this important function should be performed (as well as to define the tasks appropriately included in this function).

B. Dialing Plans. Uniformity of dialing plans for toll calls is an issue involving intrastate calls only. Whatever the Commission may or may not do about dialing plans, it must take no action that either directly or indirectly delays the date interchangeable NPA codes are implemented (scheduled for January 1, 1995).

C. FGD CIC/CAC Transition Period. The Commission should be aware that market demand for CICs will ultimately determine the length of any CIC/CAC transition period. The comments describe the harm the public will encounter if, as a result of market demand, the transition period must end before the date preferred by the Commission.

D. Interstate IntraLATA Toll Calls. The Commission appears to have commenced its inquiry because of a fear that, under the current arrangement, consumers may be paying substantially higher rates than if their interstate intraLATA traffic were handled instead by interexchange carriers. The facts do not substantiate this fear. Not only are U S WEST's toll rates competitive with those charged by interexchange carriers but, over the most common mileage bands, U S WEST's rates are often cheaper — and sometimes substantially cheaper — than those charged by the three most popular interexchange carriers among consumers. Thus, consumers are not harmed and, in fact, generally benefit from the current practice of routing 1+intraLATA interstate calls to U S WEST.

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U S WEST COMMENTS

U S WEST, Inc., on behalf of its subsidiaries and affiliates using North American Numbering Plan resources, submits these comments in response to the Notice of Proposed Rulemaking.¹ For the Commission's convenience, U S WEST follows in these comments the same outline the Commission used in its Notice.

I. North American Numbering Plan Administration

A. The Commission Should Confirm ATIS as the Sponsor of NANP Administration. U S WEST supports the Commission's tentative conclusion that no U.S. government agency is ideally suited to administer the U.S. portion of the North American Numbering Plan ("NANP").² The NANP is an integrated numbering plan supporting telecommunications services in 18 World Zone 1 countries. The advantages of the NANP — widespread access to a

¹See Administration of the North American Numbering Plan, CC Docket No. 92-237, FCC 94-79 (April 4, 1994), *summarized in* 59 Fed. Reg. 24103 (May 18, 1994)(hereafter "Notice").

²See Notice at 5-6 ¶ 14. It would be unseemly at best for the U.S. government to administer the entire NANP, as the government would be assuming jurisdiction over the numbering resources used by citizens of and entities incorporated in other countries.

seamless network serving important trading partners — are, as the Commission acknowledges, “considerable.”³ The continued viability of the NANP as an integrated numbering plan would be put in serious jeopardy if the United States were to begin administering only a portion of the NANP (*i.e.*, that portion used by U.S. carriers).⁴

There are, as a practical matter, only two viable alternatives for an NANP administrator if the government is removed as a potential candidate: (1) the Alliance for Telecommunications Industry Solutions (“ATIS”); or (2) some new, non-government agency. The Commission has declared that the next administrator should be “designated promptly” and assume its responsibilities beginning July 1, 1995 — goals which the industry universally supports.⁵ Realistically, these objectives can be realized only by confirmation of ATIS as the sponsor of the next NANP administrator. The Commission cannot reasonably make within the next year all the decisions that must be made to establish a new entity; even if it could, it is doubtful the new entity would be ready to assume the NANP administration responsibilities on July 1, 1995.

³Notice at 4 ¶ 9. Indeed, the NANP gives World Zone 1 countries a competitive edge in the world marketplace, a fact confirmed by the current efforts of the European community to integrate their national numbering plans. See id.

⁴There are, of course, other reasons which support the Commission’s tentative conclusion that NANP administration should not be performed by the U.S. government. The Commission is correct that its finite resources are better focused upon oversight and larger numbering policy issues. See Notice at 5-6 ¶ 14. Moreover, with finite resources and an ever-growing agenda of important matters, the temptation would exist to re-assign FCC personnel responsible for NANP administration to other, seemingly more pressing projects, leaving the critical numbering task understaffed. Finally, the processes under which the Commission must operate are often cumbersome and, with all due respect, the Commission does not have an established track record of acting quickly on many of the applications it processes today.

⁵Notice at 6-7 ¶ 17.

As a practical matter, then, pursuing a new entity approach would necessarily mean that the transition to a new administrator would be deferred until 1996, if not later.⁶

There are, however, many other — equally compelling — reasons supporting confirmation of ATIS as the sponsor of the next NANP administrator. ATIS, the Commission has noted correctly, has “considerable knowledge” regarding numbering issues and the sponsorship of committees and forums.⁷ Not only is it committed to principles of openness and due process, but ATIS also has a proven track record of consistently implementing and promoting openness and due process.

For all these reasons, U S WEST recommends that this Commission confirm its preference for ATIS as the sponsor of the next administrator of the North American Numbering Plan. U S WEST also recommends that the NANP structure, process and funding issues addressed in Future Numbering Forum (“FNF”), disbanded due to this proceeding, be continued for an additional six to eight months in an attempt to further define and, if possible, resolve these important matters.

⁶The wishes of the current administrator, Bellcore, are not irrelevant in this decision. Bellcore had stated its preference that it relinquish its role as NANP administrator by January 1995. See Letter from G. Heilmeier, President and CEO, Bellcore, to the Commission (Aug. 13, 1993).

⁷See Notice at 6 ¶ 15.

B. Policy Making and Dispute Resolution. The Commission seeks comment on whether it should “establish a new policy board to assist regulators in developing and coordinating numbering policy under the NANP”:

Subject to regulatory oversight, such a board might also guide the new NANP administrator and either resolve numbering disputes itself, encourage mediation or arbitration, or refer such matters to this Commission. Such a board might offer a less-burdensome alternative to existing policy-making and dispute resolution procedures. Thus, any rights of interested parties to seek the intervention of regulatory agencies through complaints, petitions, and other existing procedures would not be impaired.⁸

The Commission’s suggestion that a new policy board be established is a good one. However, there is no reason for the Commission to establish such a board, and there is certainly no reason for it to get mired in such details as: the appropriate membership of such a board, both domestic and foreign; the terms and conditions of board membership; meeting procedures and the board chair; appeal of board decisions; and the size and staffing of the board.⁹

ATIS has also offered to sponsor a new NANP/Numbering Oversight Committee, and ATIS’ detailed proposal is a good one. The backbone of ATIS’ proposal is the Oversight Committee, which ATIS would sponsor but not control. ATIS’ function would largely be to act as a moderator for this Committee and to assume such secretarial and logistical functions as preparation and dissemination of agendas and meeting reports and, when necessary, arranging for meeting locations.

⁸Notice at 8-9 ¶ 25.

⁹Moreover, by not deciding such details, the Commission can avoid later questions regarding its legal authority to engage in this type of activity. See Notice at 9 ¶ 25.

The Oversight Committee would be open to anyone with a direct and material interest in World Zone 1 numbering issues (including foreign carriers) and would employ established consensus procedures. The primary responsibilities of this Committee would include:

1. Oversee the activities of the NANP administrator, including entertaining any appeals of NANP administrator decisions;
2. Develop and coordinate numbering policy, including the establishment of guidelines used by the NANP administrator; and
3. Develop and manage long-term and comprehensive numbering and, where appropriate, dialing plans.

The advantages of the ATIS proposal are several. First, all NANP/numbering issues would be centralized under one umbrella: ATIS. Not only does this consolidation address the concerns raised by some industry members, but it helps to maintain the obvious linkage between numbering policy and administration.¹⁰ Second, NANP/numbering issues will be handled by experts in the industry: ATIS, with its experience in sponsoring consensus-driven committees; and members of current numbering forums who, it is hoped, will provide the foundation for the start-up of the Oversight Committee. Once the Oversight Committee has been formed, it will assume responsibility for all policy-related numbering issues, including ongoing activities of

¹⁰ATIS already sponsors the Committee T1, and it is assumed that technical numbering issues would continue to be handled by Committee T1 subcommittees.

the Industry Numbering Committee ("INC") and the Future Numbering Forum ("FNF").¹¹

C. NANP Funding. The costs of administering NANP and the development of certain numbering resources have been funded largely by the Bell companies through their ownership of Bellcore. With Bellcore relinquishing its NANP role, this subsidy will (properly) end. A new means must therefore be found to fund NANP administration and, when appropriate, NANP policy development and coordination.

It is universally recognized that NANP funding should be "fair and equitable." There is also unanimity in the definition of this phrase: a funding program is "fair and equitable" so long as "I" think it is fair and equitable — translated, "I do not have to contribute more than I want to." It is precisely for this reason that World Zone 1 regulators need to play a more active role in the development and enforcement of a funding mechanism.¹²

¹¹The Oversight Committee should be given considerable discretion in further deciding how best to discharge its functions. For example, the Committee may deem it appropriate to establish task/working groups on an as-needed basis to address and develop specific issues for later consideration by the Committee. It may also decide that prudence dictates the formation of an administrative committee to handle certain functions. Additionally, the Committee may decide it would be better to maintain and oversee the INC rather than assume itself the issues that the INC had been handling. These types of details are best left to the industry using the consensus process.

¹²The industry had conducted preliminary discussions over funding in an FNF-subcommittee, but those discussions have been terminated during the pendency of this proceeding. U S WEST questions whether the industry will ever reach consensus over specific funding proposals; even if it could, it is doubtful whether consensus over a detailed plan can be reached before NANP administration is transferred in July 1995. It is for this reason that U S WEST recommends that the Commission charge ATIS with developing an initial funding proposal which the industry, and eventually this Commission, could review and comment on.

U S WEST recommends that NANP funding be addressed in three steps. Step 1 would consist of the Commission establishing the governing funding principles which ATIS, as the sponsor of the new NANP administrator, would use in developing a specific and concrete funding proposal. U S WEST urges adoption of six principles:

1. The funding structure should be tied to the costs incurred in managing and administering the NANP resources;
2. ATIS should be eligible to recover all costs it incurs in sponsoring the NANP administrator and Oversight Committee and, on behalf of the NANP administrator, all the costs of administering the NANP;
3. The costs of NANP administration should be borne by those using NANP resources;
4. Allocation of NANP costs should be made using cost-causer principles — that is, those using more NANP resources should pay proportionately more than those using fewer resources;¹³
5. The funding mechanism should be competitively neutral and apply consistently to all users; and

¹³Not all NANP resources require the same amount of administration and management. U S WEST recommends that ATIS, with the input of the industry, be assigned the unenviable task of weighting various NANP resources *vis-a-vis* each other so that the charge associated with each NANP resource used is fair, equitable and reasonably reflects the cost of administering the particular resource.

6. The mechanism should continue to support the current international integrated World Zone 1 structure.

After the Commission establishes these and/or other governing principles, ATIS would develop a funding proposal and submit it to the industry for comment.¹⁴

Step 2 would involve review by World Zone 1 regulators of ATIS' final funding proposal. While approval by regulatory agencies like this Commission is not necessary *per se*, it is understandable (and appropriate) that ATIS, before embarking on a new, costly endeavor, would want to obtain some assurance that World Zone 1 regulators concur in its proposed funding program and fee schedule. Concurrence by World Zone 1 regulators will minimize much controversy later.

Step 3 would involve an agreement by World Zone 1 regulators to assist ATIS in enforcing compliance with its funding plan. Options would include entry of orders directing payment of the amount due (with interest) and, where appropriate, forfeiture of a carrier's certificate to do business using numbering resources.

D. Central Office Code Administration. Assignment of central office ("CO") codes within Numbering Plan Areas ("NPAs" or "area codes") has historically been performed by the largest exchange carrier within a given NPA. For example, U S WEST Communications currently administers CO codes

¹⁴As noted, some work in this area has already been undertaken by the FNF (*see* note 12 *supra*), and ATIS could use this work in developing a more detailed funding proposal.

within the 21 NPAs assigned to the 14 states where it provides exchange services.¹⁵

U S WEST wants to relinquish its role as a CO administrator, and it wants to do so as quickly as possible. However, U S WEST cannot responsibly abandon this role until a suitable alternative is both identified and ready to assume the important duties.

The Commission has tentatively concluded that (a) the job of CO administration, performed on a regional basis in the past, should instead be centralized, and (b) the new NANP administrator should also assume this task.¹⁶ U S WEST is not now in a position to agree or disagree with these tentative conclusions; rather, U S WEST believes that it would be premature to make these decisions and that these matters should instead be referred to the Future Numbering Forum for its consideration (or the ATIS-sponsored Oversight Committee if it is operational). U S WEST makes this recommendation for three reasons.

First, the job of CO administration may be bigger and more time consuming than the Commission and many members of the industry may realize. For example, Bellcore currently administers 160 NPA codes. U S WEST, which administers CO codes within only 13% of these NPAs, is responsible

¹⁵There are two important CO code administrative functions not mentioned in the Notice which have historically been performed by the CO code administrators: (1) managing splits of NPA codes; and (2) notifying others of new CO code assignments. It is these types of details that should be considered initially by the industry.

¹⁶See Notice at 10 ¶ 29.

for assigning and managing over 16,000 CO codes. Moreover, the assignment of CO codes is often a more involved process than assigning NPA, CIC, 900-NXX and similar codes. For example, a CO code administrator must consider not only the preferences of the applicant, but also the capabilities of switching systems and the requirements of local dialing plans within an NPA.

This consideration is important because, at least in U S WEST's judgment, no one is able to assume the CO function nationwide immediately. U S WEST believes that, if it is ultimately decided that only one entity should administer all CO codes, this function needs to be transitioned on a phased basis.¹⁷

Second, U S WEST believes that the new NANP administrator ought to have a say — a vote, if you will — in whether it wants to and feels capable of assuming CO code administration.

Finally, the industry ought to have an opportunity to review the various ways to administer CO codes and to attempt to reach consensus on the best or a preferred approach. While the industry has developed guidelines regarding the assignment of CO codes, it has not had a meaningful opportunity to discuss the structure of CO code administration. Even if the industry is unable to reach consensus, industry discussions will undoubtedly clarify

¹⁷For example, the NANP administrator could assume CO code responsibility for some areas six months after assuming the NANP functions, with additional geographic areas added as the NANP administrator is ready to assume those areas.

If it is ultimately determined that CO code administration should be centralized, U S WEST is will to work with the new administrator and to be the first incumbent CO administrator to transfer the responsibility to the new entity.

and help focus the issues in need of resolution — just as the discussions in the Future Numbering Forum have been so helpful in developing a comprehensive plan for NANP administration and policy development.

For all these reasons, U S WEST recommends that the Commission defer making any decisions at this time regarding CO code administration and that it refer this matter to the Future Numbering Forum (or the ATIS-sponsored Oversight Committee if it has become operational) for its consideration. It would be appropriate to specify a date when the FNF should report any recommendations to the Commission (*e.g.*, six or eight months after referral), and the FNF should be encouraged to submit majority, minority or alternate reports (so the process is not bogged down waiting for consensus on each issue).

II. Dialing Plans

The Commission has invited comment on current dialing arrangements because one commenter has expressed concern about non-uniform dialing arrangements.¹⁸ Four observations concerning this subject are appropriate.

A. It is curious that an issue of non-uniform dialing plans would be raised at this time. Dialing plans have never been uniform in this country; if anything, such plans are becoming more uniform over time. As the Commission recently observed, with the introduction next year of interchangeable NPA codes, only two dialing arrangements will remain feasible for intrastate

¹⁸See Notice at 15 ¶ 44.

toll calls: seven digit dialing (NXX-XXXX) or 11 digit dialing (1+NPA-NXX-XXXX).¹⁹

B. There are uniform dialing arrangements for wireline customers in the 14 states served by U S WEST Communications.²⁰ In all 14 states, wireline exchange carriers have completed, or are in the process of completing, the following dialing arrangements:

11-digit dialing	Toll calls — whether to another NPA or within the originating NPA
Seven-digit dialing	Local calls — whether within or outside the originating NPA

C. The issue of non-uniform dialing will, with the introduction of interchangeable NPA codes, involve intrastate calls only.²¹ The Communications Act vests in state regulatory agencies the power to regulate calls within their borders, and this jurisdiction would seem to include how their citizens dial in-state calls. This Commission should, therefore, decline to entertain complaints over dialing arrangements for intrastate calls. Anyone complaining

¹⁹See Fact Sheet on Future Changes in Telephone Numbering (May 1994). This Fact Sheet contains one material error when it suggests that, with INPA deployment, PBXs and other switches "cannot rely on a leading '1' as a toll indicator" and that, as a result, these systems "will need to be altered." *Id.* at 2. In fact, no changes to PBXs need to be made in U S WEST's region because, as demonstrated above, the use of a "1" will continue to indicate a toll call.

²⁰Mobile service providers, because of differences in technology, can and do use different dialing arrangements. However, it is U S WEST's understanding that no one has complained about the dialing arrangements used by mobile service providers.

²¹NPAs do not cross state boundaries and, with introduction of INPA codes, toll calls to another state (and NPA) must be dialed with 11 digits when the NPA is required for call processing.

about a dialing arrangement in a given state should submit its complaint to the appropriate regulatory authority in that state.

D. Whatever the Commission may or may not do about dialing plans, it must take no action that either directly or indirectly postpones or delays the date interchangeable NPA codes are implemented. U S WEST has an immediate need for interchangeable NPA codes,²² and any deferral in the availability of these codes would have intolerable consequences.

III. Feature Group D CIC/CAC Transition Period

The Commission seeks comment on its proposal to adopt a six-year transition period for permissive dialing during which the public can dial either five- or seven-digit Feature Group D ("FGD") Carrier Access Codes.²³ While U S WEST takes no position concerning this specific proposal, it does wish to advise the Commission that (a) there is one technical constraint on the maximum duration of any permissive, dual-dialing period, and (b) the possibility exists that this constraint may be reached before the end of any period specified by this Commission.²⁴

²²For example, the 206 NPA in Washington is scheduled to be split with the new INPA code 360 on January 15, 1995. The 602 NPA in Arizona is scheduled to be split with the new INPA code 520 on March 9, 1995.

²³See Notice at 18 ¶ 54.

²⁴Any dual-dialing transition period will, as the Commission has observed, result in the public dialing a different number of digits (*i.e.*, five or seven) to reach different interexchange carriers and, the longer the transition period, the longer this "discrimination" will be in place. The Commission should be aware that this transition period will result in other disparities as well. For example, U S WEST's optional access service feature — 950 on FGD (described in U S WEST Communications Tariff F.C.C. No. 1, § 6.3.1(S)(1), 2d Revised Page 6-93.1) — will, for technical reasons, be available only to carriers which had been assigned

Footnote Continued on Next Page

A. Background: CICs vs. CACs. All FGD Carrier Identification Codes ("CICs"), historically three digits in length, will consist of four digits beginning in January 1995. On that date, all three-digit CICs currently in use will be converted to four digits by inserting a zero at the beginning of each code (*e.g.*, 0222, 0288, 0333). For the most part, the public will not be aware of this change because CICs are used primarily within and between networks.

Carrier Access Codes ("CACs") are the digits the public dials to reach one's carrier of choice. Three-digit CICs required the dialing of five digits — 10XXX — where the XXX contained the selected carrier's CIC. Expanding the length of CICs from three to four digits requires a change in the length of CACs, from a five-digit format (10XXX) to a seven-digit format (101XXXX), where the XXXX contains the selected carrier's CIC.

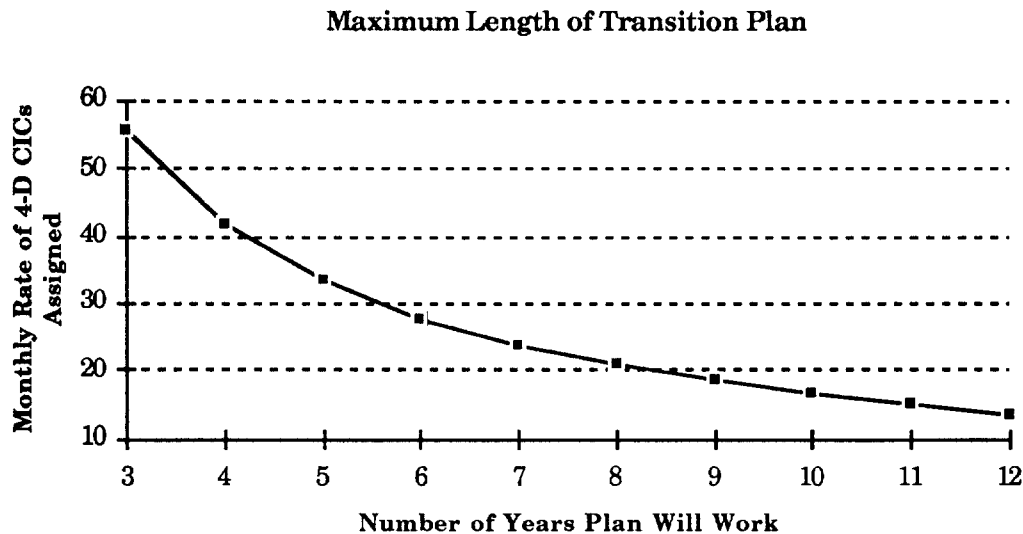
The transition period which the Commission has sought comment will enable the public to reach a carrier by dialing either a five-digit CAC (10XXX) or a seven-digit CAC (101XXXX). At the close of this period, consumers must dial seven-digit CACs only.

B. The Constraint Described. A transition or permissive dialing period is feasible when exchange carriers have some means to distinguish five-digit FGD CACs from seven-digit FGD CACs. This is possible only so long as the numbers contained in newly-assigned four-digit codes do not overlap (or conflict with) the initial numbers contained in the two CAC formats.

three-digit CICs and cannot be made available to carriers with newly-assigned four-digit CICs.

The industry, pursuant to the plan it developed and approved,²⁵ has agreed that a total of 2,000 four-digit FGD CICs can be made available for assignment and use during the transition period.²⁶ The transition period must end once all 2,000 of these codes have been assigned because, beginning with the assignment of the next four-digit CIC, there will be a conflict between five- and seven-digit CACs.

What this means, as a practical matter, is that the maximum duration of any transition period will ultimately be determined by the rate in which four-digit FGD CICs are assigned, as documented by the following chart:



²⁵See Carrier Identification Code Administrative Guidelines, ICCF 92-0726-002, Industry Carriers Compatibility Forum ("CIC Guidelines").

²⁶The industry decided to use the 5000 and 6000 series of four-digit CICs during the transition period — that is, CACs containing the digits 1015XXX and 1016XXX. See CIC Guidelines § 2.2. To make these codes available, three-digit CICs beginning with the digits 15X and 16X cannot be used — a total of 20 three-digit CICs. Another block of 10 three-digit CICs — 10X — has been reserved so, during the transition period, consumers can dial existing three-digit CICs using both the five- and seven-digit CAC formats (e.g., 10222 or 1010222).

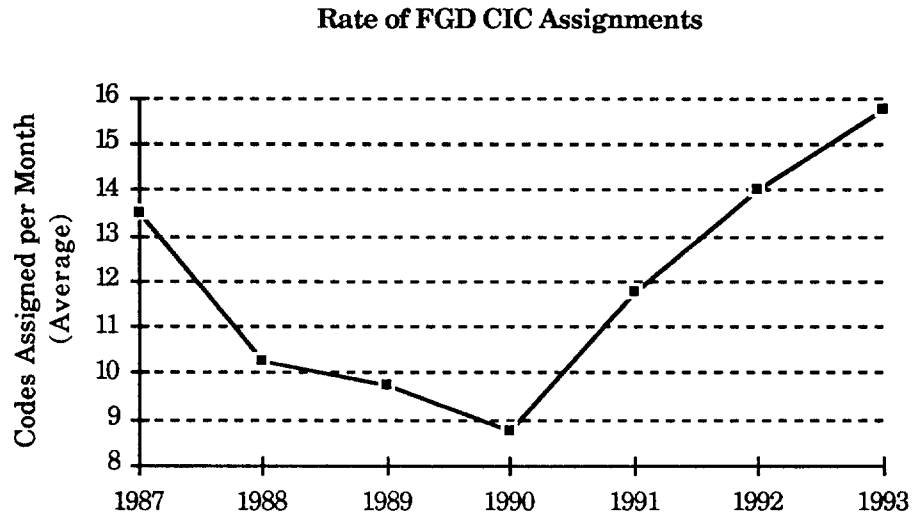
As this chart demonstrates, a transition plan can last as long as 12 years if four-digit CICs are assigned at an average rate of only 13.5 codes per month. In contrast, the transition period will last only five years if the average rate of four-digit CICs assigned is 33.3 codes per month.

C. Public Policy Implications. The public policy issue is whether the Commission should favor a longer or a shorter transition period. A longer period may postpone the day when current interexchange carriers and their customers must cease the use of five-digit CACs. On the other hand, because the rate of CIC assignments cannot be accurately forecast, the supply of CICs may exhaust prior to the transition period selected by the Commission. In this case, the planning for an orderly transition to seven-digit-only CACs may be seriously undermined, and the public will be harmed in two ways:

1. The public may be unable to reach their carrier of choice in certain locations. This would occur because certain CPE still in use is unable to handle seven-digit CACs (*e.g.*, the CPE owner relied upon the terminating transition end date specified by the Commission).
2. The public may not be fully aware of how to reach their carrier of choice once five-digit CACs can no longer be used. Carriers using five-digit CACs (*e.g.*, 10288) will need some time to educate their customers to reach them instead by dialing a seven-digit CAC (*e.g.*, 1010288) and to change their advertisements and notices (*e.g.*, airport signs, payphone instructions, *etc.*). If the transition period must end sooner than anticipated, con-

sumers may not be a fully educated that they must use a seven-digit CAC to reach their preferred carrier.

In considering this matter, the Commission should be aware that, in recent years, the rate of Feature Group D CIC assignments has been on the rise:



The Commission should be further aware that the recent (post 1990) increase in CIC assignments occurred when CIC conservation procedures were in effect whereby entities were allowed only one CIC (rather than the maximum of three permitted in the pre-conservation period).

U S WEST anticipates that the rate of CIC assignment will increase even faster once four-digit CICs become available. First, each existing CIC assignee can, under the industry guidelines, increase the total number of

codes it holds to six.²⁷ Consequently, carriers which were assigned only one code since the introduction of the CIC conservation procedures in March 1989, will be eligible to receive up to five additional CICs beginning in January.

Second, with the proliferation of new service providers (*e.g.*, mobile services, competitive access providers, cable telephony) and of new services made possible by new technologies (*e.g.*, personal communications services) and with the introduction of CICs in Canada, it can be anticipated that there will be an entirely new, added demand for CICs in the near future. Once again, each new entity can request assignment of up to six codes.

IV. Interstate IntraLATA Toll Calls²⁸

The Commission seeks comment on whether it “should require local exchange carriers to cease . . . completing interstate intraLATA ‘1+’ MTS calls and, instead, deliver those calls to the carrier preselected by the end user.”²⁹ In considering this matter, the Commission should be aware of two facts regarding the interstate intraLATA market in which U S WEST participates: (a) this market is largely a local market; and (b) U S WEST's rates are not only competitive with the rates charged by interexchange carriers but, for many calls, are cheaper — and, at times, substantially cheaper! Thus, con-

²⁷See CIC Guidelines § 4.3 There remain some carriers who currently possess more than three three-digit CICs. The Commission should investigate this matter because hoarding by one carrier means less codes are available to others.

²⁸In this section, U S WEST refers solely to U S WEST Communications, Inc.

²⁹Notice at 20 ¶ 58.

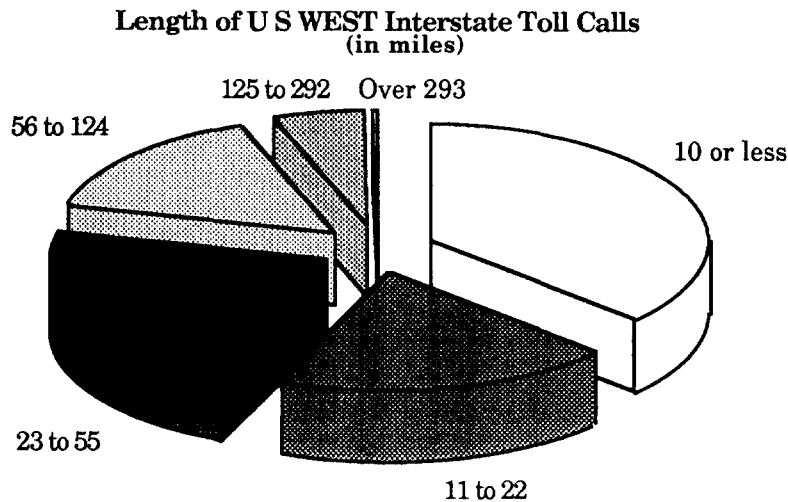
sumers are not harmed and, in fact, generally benefit from the current practice of routing 1+intraLATA interstate calls to U S WEST. Given these benefits, exchange carriers should not be required to expend even a dime in implementing a new arrangement.

A. The Interstate IntraLATA Market Is Largely a Local Market

U S WEST, although one of the smaller Tier 1 companies, serves a larger geographic area than any other exchange carrier. Thirteen of the states U S WEST serves are within the top 20 largest states (in terms of geography) within the United States.³⁰ One might reasonably conclude as a result that the interstate intraLATA market involves truly long distance calls. In fact, the interstate intraLATA market is largely a short-haul, if not a local, market.

In 1993, 78% of the interstate toll traffic U S WEST handled involved calls within distances of 55 miles or less — with 37% of its traffic involving calls 10 miles or less, 20% of its traffic involving calls between 11 and 22 miles, and 23% of its traffic involving calls between 23 and 55 miles:

³⁰Montana (4th); New Mexico (5th); Arizona (6th); Colorado (8th); Wyoming (9th); Oregon (10th); Utah (11th); Minnesota (12th); Idaho (13th); Nebraska (15th); South Dakota (16th); North Dakota (17th); Washington (20th); and Iowa (25th).



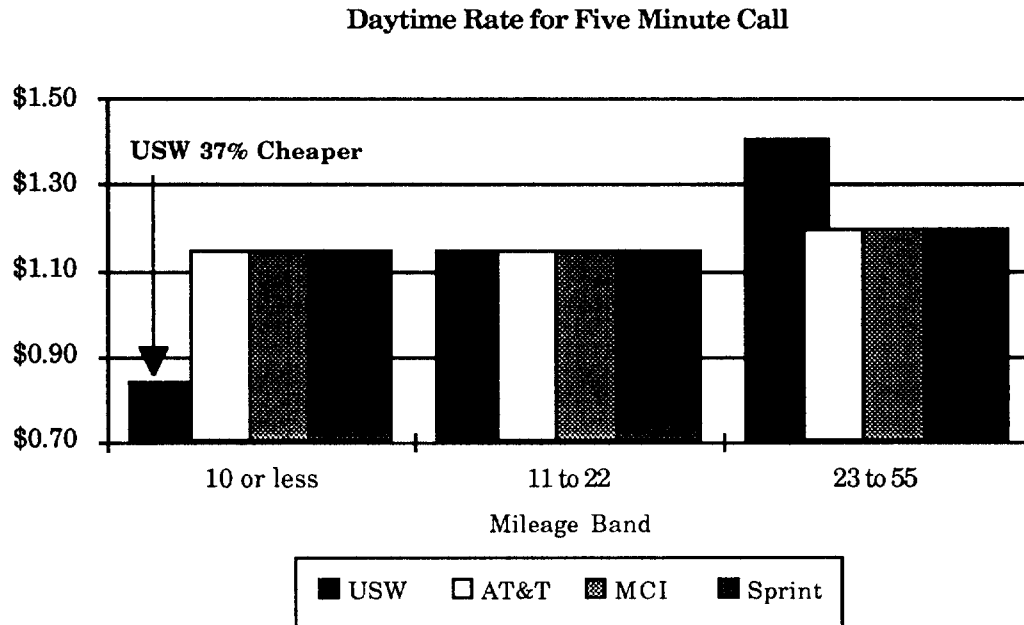
Given these facts, the interstate intraLATA market in U S WEST's service territory is more of a local market than it is a long-haul, long distance market.

B. U S WEST's Interstate Rates Are Often Cheaper Than Those Charged By Interexchange Carriers

This inquiry appears to have been commenced because of a Commission fear that, under the current arrangement, consumers may be paying "substantially higher" rates than if their interstate intraLATA traffic were instead handled by interexchange carriers.³¹ The facts do not substantiate this fear. Not only are U S WEST's toll rates competitive with those charged by interexchange carriers but, over the most common mileage bands, U S WEST's rates are often cheaper — and sometimes substantially cheaper — than those charged by the three most popular interexchange carriers among

³¹Notice at 19-20 ¶ 57.

consumers (which collectively serve 93% of all presubscribed lines).³² This is graphically documented by the following charts which compare U S WEST's, AT&T's, MCI's and Sprint's current interstate MTS rates for a five-minute call:³³



³²See Trends in Telephone Service, at 36 and Table 24 (FCC Industry Analysis Division, May 1994).

³³The prices used in developing these charts were calculated using each carrier's tariffed MTS rates. See Attachment A.